

# SHOWROOM

## JOURNAL

### Energy Dept. to lend \$8B to Ford, Nissan, Tesla

by KIMBERLY S. JOHNSON AND KEN THOMAS  
AP Writers

DEARBORN, Mich. - The Energy Department said Tuesday it would lend \$5.9 billion to Ford Motor Co. and provide about \$2.1 billion in loans to Nissan Motor Co. and Tesla Motors Inc., making the three automakers the first beneficiaries of a \$25 billion fund to develop fuel-efficient vehicles.

Energy Secretary Steven Chu announced the loan recipients at Ford's Research and Innovation Center in Dearborn. The loans to Ford will help the company upgrade factories in five Midwest states to produce 13 fuel-efficient vehicles.

Nissan was receiving \$1.6 billion to retool its plant in Smyrna, Tenn., to build advanced vehicles and build a battery manufacturing facility. Tesla would get \$465 million in loans to build electric vehicles and electric drive powertrains in California.

The loans were designed to help auto manufacturers meet new fuel-efficiency standards of at least 35 mpg by 2020, a 40 percent increase over current standards.

"These loans will help the auto industry meet and even exceed the president's tough fuel standards," Chu said. "This is part of President Obama's commitment to a new energy strategy for America. ... This means the most fuel-efficient cars in the world must be made right here in America."

Dozens of auto companies, suppliers and battery makers have sought a total of \$38 billion from the loan program.

Advertisement which was created last year to provide low-interest loans to car companies and suppliers retool their facilities to develop green vehicles and components such as advanced batteries.

Ford had been seeking about

\$5 billion in loans by 2011 and a total of \$11 billion from the program to invest \$14 billion in advanced technologies over the next seven years. The company said it will transform plants in Illinois, Kentucky, Michigan, Missouri, and Ohio.

Ford CEO Alan Mulally said in an interview with *The Associated Press* that the department approved the company's entire proposal through 2011 and it would help Ford meet the new fuel efficiency standards.

"This is a tremendous development," Mulally said. He said the loans would help Ford further its strategy to build a wide range of fuel-efficient cars.

"We want to be in every market segment in the US," Mulally said. "Every year forever we want to continue to improve fuel efficiency."

Ford expects to begin repaying the loans in 2012, with an interest rate based on the current US Treasury rate hovering between 3 and 4 percent, said Ford spokesman Mike Moran.

"If it were at market rates it would be in the double digits," he said. "That's a huge thing for us."

Ford can draw from the loan for work done to retool its plants going back to late last year, Moran said. The plants must build cars that improve fuel efficiency by 25 percent.

General Motors Corp. and Chrysler Group LLC have received billions of dollars in federal loans to restructure their companies through government-led filings for bankruptcy protection, but Ford avoided seeking emergency aid by mortgaging all of its assets in 2006 to borrow about \$25 billion.

Mulally said the loans Ford

would receive from the Energy Department were part of a government-industry partnership and "had nothing to do with the emergency loans to keep General Motors and Chrysler in business."

Ford has said it intends to bring several battery-electric vehicles to market. The automaker has discussed plans to produce a battery-electric vehicle van in 2010 for commercial use, a small battery-electric sedan developed with Magna International by 2011 and a plug-in hybrid vehicle by 2012.

General Motors has requested \$10.3 billion in loans from the energy program, while Chrysler has asked for \$6 billion in loans.

Energy officials have said the loans could only go to "financially viable" companies, preventing GM and Chrysler to qualify for the first round of the loans.

Elizabeth Lowery, GM's vice president of environment, energy and safety policy, said GM still must pass the Energy Department's financial viability test

before it can receive loan funding and the company hoped to get the money shortly after it emerges from Chapter 11 bankruptcy protection.

Chu said the Energy Department has started discussing details of the loans with Chrysler and has begun reviewing the "technical side" of the loan requirements with GM.

Nissan said the \$1.6 billion loan would be used to modify its Smyrna, Tenn., plant to produce zero-emissions vehicles and lithium-ion battery packs to power them. The Japanese company has previously outlined plans to develop an all-electric car with 100 miles of pure battery range for release in late 2010.

"This loan is an investment in America. It will help us put high-quality, affordable zero-emissions



Ford Motor Co., Nissan Motor Co. and Tesla Motors Inc. are shown. The Energy Department on Tuesday, June 23, 2009 is expected to announce it is lending money to Ford, Nissan and Tesla from a \$25 billion fund to develop fuel-efficient vehicles.

vehicles on our roads," said Dominique Thormann, Nissan North America's senior vice president for administration and finance.

Tesla, based in San Carlos, will use \$365 million for production engineering and the assembly of the Model S sedan, an all-electric vehicle that is expected to travel up to 300 miles per charge and go

on sale in 2011. It will use \$100 million for a powertrain manufacturing plant expected to employ 650 workers.

Tesla CEO Elon Musk said the automaker would use the loan "precisely the way that Congress intended - as the capital needed to build sustainable transport." ■

### GM finally gets good news with small car plant

ORION TOWNSHIP, Mich. -- Michigan has snatched back a few of its fast-disappearing auto jobs, winning a high-stakes competition with two other states to build General Motors Corp.'s next-generation subcompact car.

The news is a bright spot in an otherwise gloomy Michigan economy that has seen unemployment hit a nation-leading 14.1 percent, lots of housing foreclosures, unpaid furlough days for state workers and uncertainty for thousands of others worried about whether they'll still be getting a paycheck in the months ahead.

"We're delighted," Oakland County Executive L. Brooks Patterson said Thursday after a person briefed on the decision told *The Associated Press* that GM would keep 1,200 jobs at the retooled midsize car factory in Orion Township about 40 miles north of Detroit. The person spoke on condition of anonymity because the plan has not been made public.

GM spokeswoman Sherrie Childers Arb declined to comment on whether GM had made a decision. Patterson said he had a phone call scheduled with GM at 9 a.m. Friday.

Tony Medrano, an hourly em-

ployee at the Orion Township plant, called it "awesome news." The Orion plant now makes the Pontiac G6 and Chevrolet Malibu midsize cars, but the Pontiac brand is being discontinued and the Malibu also is made at factory in Kansas City, Kan. The plant was to go on standby status later this year.

Medrano, who has worked for GM for eight years, was one of the plant workers who accompanied Democratic Michigan Rep. Gary Peters to GM's headquarters last

week to deliver letters to company officials pressing for bringing small car production to the factory. He's unsure about the future of his job because its unclear if the plant will need the same amount of workers as it has now. But he said he still wanted Orion Township to get the chance to build the 160,000 small cars annually.

"We figured the push for this vehicle was more important than our jobs," he said.

Auto workers weren't the only ones heartened by the news. Ron Basar, a 44-year-old engineer with the auto parts supplier Inteva Products, said landing the small car was "quite a relief." (AP)



Exterior photo of General Motors' Orion Assembly plant in Lake Orion, Mich., Thursday, June 25, 2009. (AP Photo/Jerry S. Mendoza)

www.hamertoyota.com

## COME SEE WHY #1 HAMER TOYOTA IS STILL

FINAL WEEKEND TO BEAT THE JULY 1<sup>ST</sup> SALES TAX INCREASE!

### NEW 2009 CAMRY'S!

31 MONTH WARRANTY

Sale Price	\$18,773
Customer Cash Back From TMS	-\$500
Toyota Loyalty Cash**	-\$500
<b>NET COST TO YOU!</b>	<b>\$17,773</b>

2.9% APR

3 AT THIS SPECIAL OFFER!

### NEW 2009 CAMRY LE'S!

Sale Price	\$19,977
Customer Cash Back From TMS	-\$500
Toyota Loyalty Cash**	-\$500
<b>NET COST TO YOU!</b>	<b>\$18,977</b>

LEASE FOR ONLY \$199\* PER MONTH PLUS TAX OR BUY FOR \$18,977

5 AT THIS SPECIAL OFFER!

### NEW 2009 COROLLA XLE'S!

Sale Price	\$16,477
Customer Cash Back From TMS	-\$1,500
Toyota Loyalty Cash**	-\$500
<b>NET COST TO YOU!</b>	<b>\$16,477</b>

LEASE FOR ONLY \$179\* PER MONTH PLUS TAX OR BUY FOR \$16,477

1 AT THIS SPECIAL OFFER!

### NEW 2009 COROLLA LE'S

Sale Price	\$14,923
Customer Cash Back From TMS	-\$500
Toyota Loyalty Cash**	-\$500
<b>NET COST TO YOU!</b>	<b>\$14,923</b>

LEASE FOR ONLY \$169\* PER MONTH PLUS TAX OR BUY FOR \$14,923

4 AT THIS SPECIAL OFFER!

### NEW 2009 MATRIX!

Sale Price	\$15,977
Customer Cash Back From TMS	-\$500
Toyota Loyalty Cash**	-\$500
<b>NET COST TO YOU!</b>	<b>\$15,977</b>

LEASE FOR ONLY \$159\* PER MONTH PLUS TAX OR BUY FOR \$15,977

2 AT THIS SPECIAL OFFER!

### NEW 2009 TACOMA PRE-RUNNER DOL CAB V6's!

MSRP	\$23,000
Customer Cash Back From TMS	-\$3,000
<b>TOTAL NET SAVINGS OFF MSRP!</b>	<b>\$5,000</b>

LEASE FOR ONLY \$299\* PER MONTH PLUS TAX OR BUY FOR \$23,000

4 AT THIS SPECIAL OFFER!

**Come check out our clearance zone**

Savings up to \$7000 off MSRP! Over 50 New 08-09 Corollas, Camry's, Highlander, Sequoia's, Venza's, Avalon's and many more to choose from

**HAMER TOYOTA.com**

Great Dealer, Great Deals, Great Financing.

\*0% New Avalon savings off MSRP includes cash back from TMS (87625/306484)

### THE ALL NEW 2010 PRIUS!

HERE NOW AND AVAILABLE FOR IMMEDIATE DELIVERY!

UP TO 51 CITY MPG

**Matt Morente** Floor Manager  
**Reno Reyes** VP Internet Coordinator  
**Marylou Santiago** VP Internet Coordinator  
**Paul Nieves** Leasing & Sales  
**Nilo Ortiz** Leasing & Sales  
**Arnold Domingo** Leasing & Sales  
**Wency Magno** Leasing & Sales

**Credit Problems? Call for Pre-Approval: (888) 237-3992 and Ask for Matt Morente www.hamertoyota.com**

**HAMER TOYOTA.com**

11041 Sepulveda Blvd., Mission Hills - 1-888-205-6655

SALES HOURS: MON-SAT 9:00AM-6PM • SUN 9:00AM-6PM | EXTENDED SERVICE HOURS: PARTS & SERVICE HOURS: MON-FRI 7AM-6PM • SATURDAY 7AM-5PM

State Farm Mutual Automobile Insurance Company, State Farm Indemnity Company - Bloomington, IL

**DISCOUNTS**

See me today and get the discounts and service you deserve.

**Melody Avecilla Ins/Fin Svc Inc**  
Bus: (818) 506-FARM

Melody Avecilla, Agent  
Insurance Lic. #: 0889298  
North Hollywood, CA 91607  
Mon - Fri 9:00 am to 6:00 pm  
Saturday 9:00 am to 5:00 pm  
After Hours by Appointment

**Hablamos Español**  
Nakapagsasalita Kami ng Tagalog.

**STATE FARM**

**LIKE A GOOD NEIGHBOR STATE FARM IS THERE.®**  
statefarm.com